



Wood
Recyclers'
Association

SPRING 2025

Waste Wood Market REPORT

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Overview

Waste wood availability has been good over the past few months and better than in the same period last year, according to those in the sector.

Despite the usual increase in demand over the winter months, end users have been able to source enough material and have seen volumes pick up from the end of February and into March.

The improved supply has been linked to a number of factors, including biomass plant outages last year, reduced activity in the panel board sector and a fall in demand for exports related to stock levels.

As the market transitions into late spring and summer, waste wood volumes are anticipated to increase further in line with the typical seasonal trend, putting upward pressure on gate fees.

This is expected to be timely, as businesses will face higher costs from April 2025 as changes including increases in employer National Insurance contributions and a rise in the National Minimum and Living Wages kick in.

Operators will be watching to see how this impacts their businesses, the wider economy and waste wood arisings. They are also keeping a close eye on the housebuilding market, which is expected to remain relatively quiet in 2025 before improving in 2026.

Overall, those in the sector say it feels like a normal pre-Covid year in terms of waste wood availability and seasonality, and if storage is managed correctly, the market remains balanced.

Biomass

It has been an average winter for the UK's waste wood-powered biomass plants in terms of volumes processed and plant availability (the percentage of time a plant is operational), according to operators.

While the sector has faced the usual competition from the export market over the winter months, it is understood that exports have started to slow down in recent

Biomass cont.

weeks. This has been attributed to high stocks being held in Scandinavia and mainland Europe, where the mild winter has reduced demand.

From late spring/early summer most waste wood-powered biomass plants will begin their annual shut downs for maintenance and upgrades, helping to ensure the UK's biomass fleet remains in good shape.

This is expected to benefit the wider waste wood sector by increasing waste wood availability and in turn gate fees.

Looking ahead, those in the industry are keeping an eye on the cost increases for businesses from April and also construction activity and how this will impact feedstock availability.

Panel Board

The panel board sector has remained a little quiet over the past few months, according to those in the industry.

Demand for finished products remains lower than usual leading to most manufacturers taking some periods of down time.

Despite this, some market segments remain stronger than others and manufacturers continue to be committed to producing quality products and increasing their share of recycled fibre. Supply of sawmill residues into the sector also remains steady.

With costs for businesses rising from April and no significant increase in construction activity forecast this year, it is expected that many businesses will be aiming to get through 2025, before looking ahead to a more positive forecast for 2026.

It is hoped that next year the market will be boosted by an upturn in housebuilding and improvements in the wider economy.

Animal Bedding

The animal bedding market has experienced a typical winter, according to those in the sector, with some manufacturers seeing stocks running out around January, before building them up again as we move into spring.

Kiln-dried sawmill activity has been steady during this period, it has been reported, ensuring a consistent supply of shavings into the sector.

However, there are concerns that for the remainder of this year, sawmill output could be down due to some sawmill closures and consolidation in the market, potentially leading to a shortage of shavings going into next winter.

The high price of shavings has also led to some animal bedding manufacturers to invest in their own flaking machinery.

Going forward, manufacturers are now focused on building up stocks during the warmer months when there is improved availability of clean waste wood.